GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1530
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INFLOW OF FDI
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Will the Minister of FINANCE be pleased to state:

(a) the details of Foreign Direct Investment (FDI) received during each of the last three years till December, 2006, sector-wise;

(b) the impact of FDI on those sectors;

(c) how does it compare with FDI received by China and other neighbouring countries;

(e) the target fixed for the current year and the projections made for the next three years; and

(e) the steps taken to increase inflow of FDI and to open new sectors by the Government?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) A statement is annexed.

(b) and (c): The Government has not conducted any study to assess the impact of FDI on various sectors: As per the World Economic Forum`s Global Competitive Index (GCI) rankings for 2006-07, India has improved its position by two places coming in 43rd, well ahead of Brazil (66), China (54) and Russia (62). AT Kearney FDI Confidence Index 2006 has rated India ahead of the US in terms of Business Confidence Index.

(d) and (e): No target for FDI is fixed by the Government. FDI flows are determined, inter-alia, by Global Economic Situation, market conditions and Global FDI flows. Government has put in place a liberal and transparent policy on FDI, according to which FDI upto 100% is permitted, under the automatic route, in most of the sectors. The proposals requiring Government approvals are considered by the Foreign Investment Promotion Board (FIPB) in a time bound manner. The policy is reviewed on a continuous basis for further liberalization / rationalization. Besides, putting in place an attractive and investment friendly policy with a high degree of automaticity, the Government has also renewed thrust on the investment promotion front through informative publications on investment opportunities.